

KUNGWINI LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010



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ANNUAL FINANCIAL STATEMENTS

for

KUNGWINI LOCAL MUNICIPALITY

for the year ended 30 June: **2010**

Province:

Gauteng

AFS rounding:

R (i.e. only cents)

Contact Information:

Name of Municipal Manager:	SE KEKANA
Name of Chief Financial Officer:	SB MAKOELE
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KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

General information

Members of the Council

Mr. Richard Makola	Mayor
Ms. Lindiwe Maria Mahlangu	Speaker
Ms. RJ Sihlangu	Member of the Executive Committee
Mr. BA Mokoena	Member of the Executive Committee
Mrs S Pitseng	Member of the Executive Committee
Mr. H Khan	Member of the Executive Committee
Mr. AD Mabona	Member of the Executive Committee
G J Van Tonder	Councillor
P A Van Der Walt	Councillor
S P Mabena	Councillor
M M Phasha	Councillor
N E Ntshabeleng	Councillor
J B Masombuka	Councillor
V P Mabelane	Councillor
P M Nkosi	Councillor
J M Masango	Councillor
M W Dlongwana	Councillor
C Knox	Councillor
H Welber	Councillor
D Motaung	Councillor
C De Jager	Councillor
J H Faul	Councillor
E S Mashiloane	Councillor
G N Mbonani	Councillor
S J Sebola	Councillor
M A Ngwenya	Councillor

M L H Sekwati

Councillor

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General information (continued)

Municipal Manager

SE Kekana

Chief Financial Officer

SB Makoele

Grading of Local Authority

4B

Auditors

Auditor-General

Bankers

ABSA

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BRONKHORSTSPRUIT
1020

Postal address:

PO BOX 40
BRONKHORSTSPRUIT
1020

Telephone number:

013 932 6200

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Approval of annual financial statements

I am responsible for the preparation of these annual financial statements, which are set out on pages x to x, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 20 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Municipal Manager:

9-Sep-2010

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010			
	Note	2010 R	2009 R
ASSETS			
Current assets			
Inventories	2	2 169 236	2 351 305
Consumer debtors and other receivables	3	73 475 288	38 406 052
Other receivables	4	11 479 703	8 018 882
Cash and cash equivalents	5	19 440 653	20 113 674
Non-current assets			
Property, plant and equipment	6	1 003 974 148	1 097 774 437
Total assets		1 110 539 029	1 166 664 349
LIABILITIES			
Current liabilities			
Borrowings	7	2 101 091	2 101 091
Provisions	8	1 662 474	720 758
Unspent conditional grants and receipts	9	23 006 972	16 817 108
Finance lease liability	10	108 151	733 656
Trade and other payables	11	128 827 216	59 683 541
VAT payable	12	20 678 336	8 324 187
Bank overdraft	5	-	7 790 991
Non-current liabilities			
Borrowings	7	19 687 732	21 788 823
Provisions	8	16 925 289	10 010 530
Consumer Deposits	13	11 953 100	10 958 441
Finance lease liability	10	214 296	322 448
Total liabilities		225 164 657	139 251 572
Net assets		885 374 372	1 027 412 777
NET ASSETS			
Reserves		5 671 162	5 671 162
Accumulated surplus / (deficit)		879 703 211	1 021 741 615
Total net assets		885 374 373	1 027 412 777

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STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2010			
	Note	2010 R	2009 R
Revenue			
Property rates	14	113 594 377	92 005 775
Service charges	15	133 553 240	147 348 422
Finance Income	16	825 642	6 741 100
Government grants and subsidies-operating	17	54 946 577	49 365 018
Government grants and subsidies- capital	17	19 556 241	57 291 062
Rental of facilities and equipment	18	483 418	445 242
Licences and permits		328 159	4 853 070
Agency fees		4 949 763	185 598
Fines		339 297	3 176 560
Other Revenue		3 842 513	6 519 281
Total revenue		332 419 228	367 931 128
Expenses			
Employee related costs	19	116 965 345	95 823 625
Remuneration of councillors	20	7 086 036	6 567 482
Depreciation and amortisation expense	21	124 106 237	23 924 459
Bad debts		20 971 841	69 352 631
Finance costs	22	6 872 782	4 445 554
Collection costs		16 098 726	6 002 314
Repairs and maintenance		37 019 165	32 637 790
Bulk purchases	23	89 891 330	83 509 498
Contracted services	24	15 410 831	11 210 388
General expenses	25	40 070 203	40 805 690
Grants and subsidies paid			10 244 039
Total expenses		474 492 496	384 523 471
Gain / (loss) on sale of assets	26	34 865	(236 357)
Surplus / (deficit) for the period		(142 038 403)	(16 828 700)

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STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2010					
	Revaluation Reserve	Self-Insurance Reserve	Total: Reserves	Accumulated Surplus/(Deficit)	Total: Net Assets
Note	R	R	R	R	R
Balance as at 01 July 2008	-	5 671 162	11 630 430	278 918 273	296 219 865
Surplus / (deficit) for the period				(16 828 700)	(16 828 700)
Surplus / (deficit) on revaluation of property of property, plant and equipment					-
Transfers to / from accumulated surplus/(deficit)			(5 959 268)	5 959 268	-
Balance at 30 June 2009	-	5 671 162	5 671 162	268 048 841	273 720 003
Correction of prior period error	29			753 692 774	753 692 774
Restated balance	-	5 671 162	5 671 162	1 021 741 615	1 027 412 777
Surplus / (deficit) for the period				(142 038 403)	(142 038 403)
Surplus / (deficit) on revaluation of property of property, plant and equipment					-
Balance at 30 June 2010	-	5 671 162	5 671 162	879 703 211	885 374 373

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CASH FLOW STATEMENT AS AT 30 JUNE 2010			
	Note	R	R
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers,government and other		293 889 170	287 569 922
Cash paid to suppliers and employees		(254 096 444)	(284 099 138)
<i>Cash generated from operations</i>	27	39 792 726	3 470 784
Finance Income		825 642	6 741 099
Finance costs		6 872 782	(4 445 554)
Dividends		-	-
Net cash flows from operating activities		547 985 614	571 669 060
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of PPE and other assets		775 729 386	(84 755 295)
Proceeds from disposal of PPE and other assets		-	(1)
Net cash flows from investing activities		775 729 386	(84 755 296)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		(2 101 091)	(2 101 090)
Repayment of borrowings		-	299 462
Repayment of finance lease liability		733 656	288 394
Net cash flows from financing activities		(1 367 435)	(1 513 234)
Net increase / (decrease) in net cash and cash equivalents		7 117 970	(80 502 201)
Net cash and cash equivalents at beginning of period		12 322 185	92 802 824
Net cash and cash equivalents at end of period	28	19 440 155	12 322 185

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1 BASIS OF ACCOUNTING

1.1 BASIS OF PRESENTATION

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below. Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

1.4 COMPARATIVE INFORMATION

Budget information in accordance with GRAP 1 and 24, has been provided in an annexure to these financial statements .

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.5 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

ISSUED BUT NOT YET EFFECTIVE	STANDARD APPLIED
GRAP 18 Segment Reporting	No applicable
GRAP 21 Impairment of non-cash-generating assets	IAS 36
GRAP 23 Revenue from Non-Exchange Transactions	GAMAP 9
GRAP 24 Presentation of Budget Information in Financial	Applied
GRAP 25 Employee Benefits	IAS 19
GRAP 26 Impairment of cash generating assets	IAS 36
GRAP 103 Heritage Assets	Not applicable

1.6 RESERVES

1.6.1 Revaluation Reserve

(If Realised through use)

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/(deficit). On disposal, the net revaluation surplus is transferred to the accumulated surplus/(deficit) while gains or losses on disposal, based on revalued amounts, are credited or charged to the Statement of Financial Performance.

(If Realised on disposal)

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised on the disposal of the property, plant and equipment. On disposal, the net revaluation surplus is transferred to the accumulated surplus/(deficit) while gains or losses on disposal, based on revalued amounts, are credited or charged to the Statement of Financial Performance.

1.7 PROPERTY, PLANT AND EQUIPMENT

1.7.1 INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the initial estimate of the costs of dismantling and removing the asset and restoring the site on which it is located. Including import duties and non-refundable taxes.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

1.7.2 SUBSEQUENT MEASUREMENT - REVALUATION MODEL (LAND AND BUILDINGS)

Subsequent to initial recognition, land and buildings are carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses in respect of buildings only.

An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

1.7.3 SUBSEQUENT MEASUREMENT - COST MODEL

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

1.7 PROPERTY, PLANT AND EQUIPMENT (cont)

1.7.4 DEPRECIATION AND IMPAIRMENT

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

Infrastructure	
Roads and paving	50-100
Electricity	50
Water	1-100
Sewerage	15-100
Landfill site	6
Other	
Buildings	50
Other vehicles	3-10
Office equipment	3-15
Furniture and fittings	5-10
Community	
Buildings	30
Recreational facilities	50
Finance lease assets	
Office equipment	3-10
Other assets	3-10

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

Heritage assets are assets that are defined as culturally significant resources and are not depreciated as they are regarded as having an infinite life which are shown at cost. However, if improvements to heritage assets are conducted and registered as sub-assets and the useful life of the improvements can be determined, the depreciation charge of the relevant property, plant and equipment category is used for the depreciation of the sub-asset which was capitalised against the heritage asset.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance. (Impairment loss of a revalued asset is treated as a revaluation decrease).

1.7.5 DERECOGNITION

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.7.6 COMPENSATION FOR IMPAIRMENT for items of PPE that were impaired, lost or given up shall be included in surplus or deficit when the compensation becomes receivable.

1.8 NON-CURRENT ASSETS HELD FOR SALE

1.8.1 INITIAL RECOGNITION

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

1.8.2 SUBSEQUENT MEASUREMENT

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

1.9 INVENTORIES

1.9.1 INITIAL RECOGNITION

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

1.9.2.SUBSEQUENT MEASUREMENT

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

Unsold properties are valued at the lower of cost and net realisable value on a specific identification cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

In general, the basis of allocating cost to inventory items is the first-in, first-out method OR the weighted average method.

1.1 FINANCIAL INSTRUMENTS

1.10.1 INITIAL RECOGNITION

Financial instruments are initially measured at fair value, plus, (in the case of financial instruments not at fair value through profit or loss), transaction costs. The fair value of a financial instrument that is initially recognised is normally the transaction price, unless the fair value is evident from the observable market data. The municipality uses a discounted cash flow model which incorporates entity-specific variables to determine the fair value of financial instruments that are not traded in an active market. Differences may arise between the fair value initially recognised in (which in accordance with IAS 39, is generally the transaction price) and the amount initially determined using the valuation technique. Any such differences are subsequently recognised in profit or loss only to the extent that they relate to a change in the factors (including time) that market participants would consider in setting the price.

1.10.2 SUBSEQUENT MEASUREMENT

1.10.2.1 INVESTMENTS

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to-maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is in accordance with IAS 39.

The Entity classifies its financial assets into the following categories:

- held-to-maturity;
- loans and receivables;
- available-for-sale; and
- fair value through profit and loss.

The classification depends on the purpose for which the financial asset is acquired, and is as follows:

- Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity, where the Entity has the positive intent and ability to hold the investment to maturity. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.
- Loans and receivables are financial assets that are created by providing money, goods or services directly to a debtor. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.

1.10 FINANCIAL INSTRUMENTS (cont)

1.10.2.1 INVESTMENTS

- Available-for-sale financial assets are financial assets that are designated as available for sale, and are subsequently measured at fair value at Statement of Financial Position date, except for investments in equity instruments that do not have quoted market prices in an active market, and whose fair value cannot be reliably measured, which shall be measured at cost. Any adjustment is recorded in the Statement of Changes in Net Assets in the period in which it arises. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. The fair value of financial instruments classified as available-for-sale is their quoted bid price at the Statement of Financial Position date.

- Fair value through profit and loss financial assets include derivative financial instruments used by the Entity to manage its exposure to fluctuations in interest rates attached to certain of its external borrowings interest swap agreements. Any fair value adjustment is recorded in the Statement of Financial Performance in the period in which it arises. To the extent that a derivative instrument has a maturity period of longer than a year, the fair value of these instruments will be reflected as a non-current asset or liability, and is subsequently measured at fair value at Statement of Financial Position date.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discount) through the expected life of the financial asset, or, where appropriate a shorter period.

1.10.2.2 TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

1.10.2.3 TRADE PAYABLES AND BORROWINGS

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

1.10.2.4 CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

1.10.3 IMPAIRMENT

- An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments. This reduction in carrying value is recognised in the Statement of Financial Performance.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

1.11 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the municipality has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a

(a) The municipality has a detailed formal plan for the restructuring identifying at least:

- the business or part of a business concerned;
- the location, function, and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and

(b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

1.12 LEASES

1.12.1 MUNICIPALITY AS LESSEE

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. The aggregate benefit of incentives of Operating lease are recognised as a reduction of rental expense on a straight-line basis over the term of the relevant lease.

1.12.2 MUNICIPALITY AS LESSOR

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

1.13 REVENUE

Revenue shall be measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, VAT and other similar allowances.

1.13.1 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Service charges

Flat rate service charges relating to electricity and water which are based on consumption are metered and an estimate of consumption between the latest meter reading and the reporting date shall be recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- The amount of the revenue can be measured reliably.

Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumptions are made monthly when meter readings have not been performed and are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made then recognised in the statement of financial performance in the invoicing period in which meters have been read.

Revenue from the sale of electricity prepaid meter credit is recognised at the point of sale.

In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the number of refuse containers on each property, regardless of whether or not containers are emptied during the month.

Service charges from sewerage and sanitation are based on the size of the property, number of dwelling on each property and connection, using the tariffs approved by Council and are levied monthly.

Sale of goods

Revenue from the sale of goods is recognised when substantially all the risks and rewards of ownership of the goods is passed to the consumer.

Revenue from the sale of erven is recognised when all conditions associated with the deed of sale have been met.

Interest, royalties and dividends

Interest shall be recognised on a time proportionate basis that takes into account the effective yield on the asset;

Royalties are recognised as they are earned on a time basis is recognised on a straight-line basis over the period of the agreement. Royalty revenue that is based on production, sales and other measures is recognised in accordance with the substance of the relevant agreement; and

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Agency Services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified.

The income recognised is in terms of the agency agreement.

The revenue is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Collection charges are recognised when such amounts are incurred.

1.13 REVENUE(cont)

1.13.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Rates (including collection charges and penalty interest)

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportionate basis. Rebates are respectively granted, to owners of land on which not more than two dwelling units are erected provided that such dwelling units are solely used for residential purposes. Additional relief is granted to needy, aged and/or disabled owners, based on income.

Assessment rates income is recognised once a rates account has been issued to ratepayers. Adjustments or interim rates are recognised once the municipal valuer has valued the change to properties.

Fines

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

Public donations and contributions

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Deferred income relating to government grants are recognised on the following bases:

- Capital contributions to property, plant and equipment: Credited on a systematic basis to the Statement of financial Performance based on the estimated useful life of the plant and equipment.
- Income-related grants subsidising expenses: Credited to the Statement of Financial Performance as revenue when the related expense is recognised

Contributed property, plant and equipment is recognised at fair value, when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Other

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

1.13.3 GOVERNMENT GRANTS, TRANSFERS AND DONATIONS

Government Grants can be in the form of grants to acquire or construct fixed assets (capital grants), grants for the furtherance of national and provincial government policy objectives and general grants to subsidise the cost incurred by municipalities rendering services.

Capital grants and general grants for the furtherance of government policy objectives are usually restricted revenue in that stipulations are imposed in their use.

Conditional grants, donations and funding were recognised as revenue in the Statement of Financial Performance to the extent that the Municipality has complied with any criteria, conditions or obligations embodied in the agreement/arrangement. To the extent that the criteria, conditions and obligations have not been met a liability is raised in the Statement of Financial Position. Unconditional grants, donations and funding are recognised as revenue in the Statement of Financial Position at the earlier of the date of receipt or when the amount is receivable.

Contributed assets are recognised at fair value when the risks and rewards associated with such asset transfer to the Municipality.

1.14 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established.

Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

1.15 EMPLOYEE BENEFITS

1.15.1 Short-term employee benefits

The cost of short-term employee benefits, which include salaries and wages, short-term compensated absences, non-monetary benefits such as medical aid and performance plans, are expensed in the Statement of Financial Performance in the financial year during which the payment is made.

Liabilities for short-term employee benefits that are unpaid at year-end are measured at the undiscounted amount that the municipality expected to pay in exchange for that service that had accumulated at the reporting date.

1.15.2 Termination Benefits

Termination benefits are recognised when actions have been taken to indicate that the municipality is demonstrably committed to either terminate the employment of an employee or group of employees before the normal retirement date; or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

1.16 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.17 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.18 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.19 VALUE ADDED TAX (VAT)

The municipality accounts for Value Added Tax on the invoice basis

1.20 KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The following areas involve a significant degree of estimation uncertainty:

Useful lives and residual values of property, plant, and equipment
Recoverable amounts of property, plant and equipment
Provision for rehabilitation of landfill sites (discount rate used, number of years, amount of cash flows)
Present value of defined benefit obligation
Provision for doubtful debts
Impairment of assets
Provision for long-term service award

The following areas involved judgements, apart from those involving estimations disclosed above, that management has made in the process of applying the municipality's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Impairment of assets
Provisions

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	Note	2010	2009
		R	R
2 INVENTORIES			
Consumable stores - at cost		1 875 411	2 117 230
Water		293 825	234 075
		<u>2 169 236</u>	<u>2 351 305</u>
3 CONSUMER DEBTORS			
	Gross Balances	Impaired debtors written off	Net Balance
<u>Consumer Debtors</u>	R	R	R
2010			
Rates	124 504 543	(116 039 666)	8 464 878
Electricity	21 651 927	(20 179 845)	1 472 082
Water	134 546 083	(125 398 496)	9 147 587
Sewerage	42 537 671	(39 645 598)	2 892 073
Refuse	48 196 329	(44 919 533)	3 276 796
Other	23 042 434	(21 475 813)	1 566 621
Total	394 478 988	(321 003 700)	73 475 288
2009	246		
Rates	139 731 124	(125 795 481)	13 935 643
Electricity	15 974 004	(14 380 887)	1 593 117
Water	116 829 396	(105 177 785)	11 651 611
Sewerage	36 948 756	(33 263 788)	3 684 968
Refuse	41 574 424	(37 428 130)	4 146 294
Other	34 035 457	(30 641 038)	3 394 419
Total	385 093 161	(346 687 109)	38 406 052
<u>Rates: Ageing</u>			
Current (0 – 30 days)		8 906 549	8 120 403
31 - 60 Days		5 463 640	5 274 009
61 - 90 Days		4 525 999	4 516 235
91 - 120 Days		105 608 355	121 820 476
Total		124 504 543	139 731 123
<u>Electricity, Refuse, Water and Sewerage: Ageing</u>			
Current (0 – 30 days)		10 880 757	10 264 598
31 - 60 Days		6 394 878	7 260 431
61 - 90 Days		6 183 141	5 628 779
91 - 120 Days		223 569 871	211 484 978
Total		247 028 647	234 638 786
<u>Summary of Debtors by Customer Classification</u>	Consumers	Industrial / Commercial	National and Provincial Government
	R	R	R
2010			
Current (0 – 30 days)	12 901 634	6 898 786	57 150
31 - 60 Days	8 347 264	3 569 711	33 367
61 - 90 Days	7 848 018	3 025 033	24 087
91 - 120 Days	236 911 470	91 006 719	1 144 090
Sub-total	266 008 386	104 500 248	1 258 694
Less: Impairment provision			
Total debtors by customer classification	266 008 386	104 500 248	1 258 694
<u>Reconciliation of the impairment provision</u>			
Balance at beginning of the year		346 687 110	277 334 479
Contributions to provision		(25 683 410)	69 352 631
		(46 655 251)	
Balance at end of year		274 348 449	346 687 110

4 OTHER RECEIVABLES

Other debtors	11 479 703	8 018 882
Total Other Debtors	11 479 703	8 018 882

5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

Cash at bank	1 427 854	21 562
Call deposits	-	-
Call Investments	18 004 899	20 084 212
Cash on hand	7 900	7 900
Bank overdraft		
	19 440 653	20 113 674

The Municipality has the following bank accounts: -

ABSA Current Account

Account number: 800210380
Branch code: 334150

Cash book balance at beginning of year	(7 790 991)	-
Cash book balance at end of year	1 423 316	(7 790 991)
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

FNB Corporate cheque Account

Account number: 6207297563
Branch code: 270350

Cash book balance at beginning of year	21 562	-
Cash book balance at end of year	4 538	21 562
Bank statement balance at beginning of year	21 562	-
Bank statement balance at end of year	4 538	21 562

Call account Account

Account number: 4044390480
Branch code: 632005

Call Account Balance	18 004 899	20 084 212
Cash on hand	7 900	7 900
Total cash and cash equivalents	19 440 653	20 113 674

KUNGWINI LOCAL MUNICIPALITY
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6 PROPERTY, PLANT AND EQUIPMENT

OWNED ASSETS:

**6.1 Reconciliation of Carrying Value
30 June 2010**

	Land R	Buildings R	Infrastructure R	Community R	Other Assets R	Total R
Carrying values at beginning of the year	40 765 428	103 965 406	915 879 120	9 890 074	27 274 408	1 097 774 437
Cost/Revaluation	46 423 208	117 920 585	1 011 798 233	11 045 892	35 685 447	1 222 873 364
Accumulated depreciation and impairment losses	(5 657 780)	(13 955 179)	(95 919 113)	(1 155 818)	(8 411 039)	(125 098 928)
	(4 307 804)	(13 978 193)	(74 171 088)	(1 160 955)	(182 249)	(93 800 288)
Acquisitions	-	177 600	23 295 599	-	6 832 749	30 305 949
Capital under Construction	-	-	-	-	-	-
Depreciation	4 307 804	14 155 793	97 466 687	1 160 955	7 014 998	124 106 237
Carrying values at the end of the year	36 457 624	89 987 214	841 708 032	8 729 119	27 092 159	1 003 974 148
Cost/Revaluation	46 423 208	118 098 185	1 035 093 832	11 045 892	42 518 196	1 253 179 313
Accumulated depreciation and impairment losses	(9 965 584)	(28 110 971)	(193 385 800)	(2 316 773)	(15 426 037)	(249 205 165)

Refer to Appendix B for more detail on property, plant and equipment

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6 PROPERTY, PLANT AND EQUIPMENT

	Land fill	Land & Buildings	Infrastructure	Community	Other Assets	Total
	R	R	R	R	R	R
6.1 Reconciliation of Carrying Value 30 June 2009						
Carrying values at beginning of the year	40 231 567	99 694 453	962 312 037	10 568 675	22 764 184	1 135 570 915
Cost/Revaluation	6 539 869	55 394 892	293 110 832	22 499 678	39 129 306	416 674 577
Correction of error (note 29)	33 691 698	44 299 561	669 201 205	(11 931 003)	(16 365 122)	718 896 338
Accumulated depreciation and impairment losses	1 556 363					1 556 363
	2 090 225	4 270 953	(46 432 917)	(678 601)	4 982 936	(35 767 403)
Acquisitions	6 191 641	18 226 132	49 486 196	477 217	13 157 619	87 538 805
Capital under Construction	-	-	-	-	-	-
Depreciation	4 101 416	13 955 179	95 919 113	1 155 818	8 411 039	123 542 564
Carrying value of disposals	-	-	-	-	236 356	236 356
Cost/Revaluation	-	-	-	-	273 366	273 366
Accumulated depreciation and impairment losses	-	-	-	-	(37 010)	(37 010)
	-				(16 365 122)	
Carrying values at the end of the year	40 765 428	103 965 406	915 879 120	9 890 074	27 274 408	1 097 774 437
Cost/Revaluation	46 423 208	117 920 585	1 011 798 233	11 045 892	35 685 447	1 222 873 364
Accumulated depreciation and impairment losses	(5 657 780)	(13 955 179)	(95 919 113)	(1 155 818)	(8 411 039)	(125 098 928)

Refer to Appendix B for more detail on property, plant and equipment

KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	R	R
7 BORROWINGS		
Annuity Loans	21 788 823	23 889 914
	21 788 823	23 889 914
Less : Current portion transferred to current liabilities	2 101 091	2 101 091
Annuity Loans	2 101 091	2 101 091
Total borrowings	19 687 732	21 788 823
Refer to Appendix A for more detail on borrowings.		
8 PROVISIONS		
8.1 NON-CURRENT PROVISIONS		
Provision for rehabilitation of landfill sites	10 731 287	10 010 529.52
Provision for long-service awards	4 714 200	-
Post Employment Benefits	1 479 802	-
Total Non-Current Provisions	16 925 289	10 010 530
The provision for rehabilitation of landfill sites relates to the legal obligation to rehabilitate landfill sites used for waste disposal. It is calculated as the present value of the future obligation, over an average period of 8 years.		
The long-service award is payable after every 5 years of continuous service. The provision is an estimate of the long-service based on historical staff turnover.		
The movement in the non-current provision is reconciled as follows: -		
Provision for rehabilitation of landfill sites:		
Balance at the beginning of year	10 010 530	9 338 180.53
Contributions to provision	-	-
Increase in provision due to discounting	7 726 523	1 393 107.12
Balance at the end of year	10 731 287	10 010 530
Post employment healthcare		
Accrued liability at beginning of year		
Services cost	1 538 176	
Interest cost	2 263 696	
Transitional Liability Recognised	5 070 752	
Actuarial (gain)/loss	(3 527 356)	
Expected Employee Vesting	(631 068)	
Accrued liability at end of year	4 714 200	
Provision for long-service awards:		
Accrued liability at beginning of year		-
Services cost	527 163	-
Interest cost	314 621	-
Transitional Liability Recognised	708 381	
Expected Employee Vesting	(258 753)	
Actuarial (gain)/loss	188 390	
Accrued liability at end of year	1 479 802	-
8.2 CURRENT PROVISION		
Landfill rehabilitation	772 653	720 758
Post Employment Benefit	631 068	-
Current portion of long-service provision (see note 8.1)	258 753	-
Total Provisions	1 662 474	720 758
Post Employment Benefit		
<i>Main assumptions</i>		
<i>Discount rate</i>	10.72%	
<i>Health care cost inflation</i>	9.59%	
<i>Net effective Discount rate</i>	1.03%	
Long Service Award		
<i>Main assumptions</i>		
<i>Discount rate</i>	9.11%	
<i>General Salary Inflation (long term)</i>	6.43%	

KUNGWINI LOCAL MUNICIPALITY		
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010		
	2010	2009
	R	R
<i>Net effective Discount rate</i>	2.52%	

KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	R	R
9 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
Unspent Conditional Government Grants-Capital	21 495 918	15 982 774
MIG Grants	2 251 061	853 330
Water Services	3 232 832	3 232 832
D.W.A.F	11 046 774	8 454 017
Recreation, Sports, Arts and Culture	2 522 939	1 000 284
Rethabiseng TPT	2 442 311	2 442 311
Unspent Conditional Government Grants-Operating	1 511 054	834 334
FMG	89 421	63 697
MSIG	225 894	45 463
Clean Town Competition	171 547	224 541
Metsweding HIV/AIDS Grant	523 561	-
Other	500 632	500 632
Total Unspent Conditional Grants and Receipts	23 006 972	16 817 108

See Note 17 for reconciliation of grants and receipts. These amounts are invested in ring-fenced investment until utilised.

10 FINANCE LEASE LIABILITY

2009/10

Amounts payable under finance leases

	Minimum lease payment R'000	Future finance charges R'000	Present value of minimum lease payments R'000
Within one year	143 240	35 089	108 151
Within two to five years	242 000	27 704	214 296
	385 240	62 793	322 448

Less: Amount due for settlement within 12 months (current portion)

(108 151)
214 296

2008/2009

Amounts payable under finance leases

	Minimum lease payment R'000	Future finance charges R'000	Present value of minimum lease payments R'000
Within one year	718 289	15 367	733 656
Within two to five years	572 307	68 089	322 448
	1 290 596	83 456	1 056 104

Less: Amount due for settlement within 12 months (current portion)

(733 656)
322 448

The average lease term is 5 years and the average effective borrowing rate is 12%. Interest rates are fixed at the contract date. Some leases have fixed repayment terms. No arrangements have been entered into for contingent rent. Obligations under finance leases are secured by the lessor's title to the leased asset.

11 TRADE AND OTHER PAYABLES

Trade creditors	25 547 049	1 087 387
Payments received in advance	38 723 314	9 372 548
Retentions	1 993 706	2 386 382
Staff leave accrual	11 297 257	9 177 736
Other creditors	51 265 890	37 659 499
Total creditors	128 827 216	59 683 552

12 VAT PAYABLE

VAT payable	20 678 336	8 324 187
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KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	R	R
13 CONSUMER DEPOSITS		
NON-CURRENT		
Electricity and Water	11 523 923	10 958 441
Other	429 177	-
Total consumer deposits	11 953 100	10 958 441
<p>VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.</p>		
14 PROPERTY RATES		
Actual		
Residential	85 777 414	43 906 171
Commercial	11 785 113	17 825 220
Small Holdings & Farms	16 042 377	30 274 384
Government	-	-
Total property rates	113 594 377	92 005 775
Property rates - penalties imposed and collection charges	-	-
Total	113 594 377	92 005 775
Valuations		
Residential	13 759 428 783	12 080 247 825
Commercial	777 850 100	473 536 500
Small Holdings & Farms	8 102 460 783	7 883 965 192
Government	-	827 859 903
Total Property Valuations	22 639 739 666	21 265 609 420
<p>Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2008. Interim valuations are processed on a quarterly basis to take into account changes in individual property values due to alterations.</p> <p>A general rate of R0.054 (2009 R0.005) is applied to property valuations to determine assessment rates. Rebates of 40% are granted to residential and state property owners. Rates are levied on an annual basis on property owners.</p>		
15 SERVICE CHARGES		
Sale of electricity	51 331 704	68 398 255
Sale of water	56 445 867	55 731 972
Refuse removal	10 767 366	9 798 522
Sewerage and sanitation charges	15 008 303	13 600 437
Total Service Charges	133 553 240	147 529 187
16 FINANCE INCOME		
Cash and cash equivalent	794 237	6 741 100
Discounting	31 406	-
Total interest	825 642	6 741 100

KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	R	R
17 GOVERNMENT GRANTS AND SUBSIDIES		
Capital Grants		
MIG Grant	14 082 268	30 781 596
DWAF Grant	5 473 973	6 536 243
Water Services	-	14 306 368
TPT Rethabiseng	-	5 666 855
Total Government Grant and Subsidies	19 556 241	57 291 062
Operating Grants		
Equitable share	51 630 952	44 206 688
Recreation, Sports, Arts and Culture	1 817 345	3 304 670
MSIG Grant	554 569	831 893
FMG Grant	724 277	436 303
Metsweding HIV/AIDS	166 439	
Clean Town Competition	52 995	
Other		585 464
Total Government Grant and Subsidies	54 946 577	49 365 018
17.1 Equitable Share		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive a monthly subsidy.	51 630 952	44 206 688
17.2 MIG Grant		
Balance unspent at beginning of year	853 330	2 854 926
Current year receipts	15 480 000	28 780 000
Conditions met - transferred to revenue	(14 082 268)	(30 781 596)
Conditions still to be met - remain liabilities (see note 17)	2 251 061	853 330
This Grant was partially utilised during 2009/10. Expenditure began late in the financial year. The remaining funds will be used to finance the remaining portions of the projects. This funds are to be rolled-over to the 2010/11.		
17.3 DWAF Grant		
Balance unspent at beginning of year	8 454 017	3 686 010
Current year receipts	8 066 730	11 304 250
Conditions met - transferred to revenue	(5 473 973)	(6 536 243)
Conditions still to be met - remain liabilities (see note 17)	11 046 774	8 454 017
This Grant was partially utilised during 2009/10. The remaining funds will be used to finance the remaining portions of the projects. This funds are to be rolled-over to the 2010/11.		
17.4 Water Services		
Balance unspent at beginning of year	3 232 832	205 200
Current year receipts	-	17 334 000
Conditions met - transferred to revenue	-	(14 306 368)
Conditions still to be met - remain liabilities (see note 17)	3 232 832	3 232 832
This Grant is used for the provision of water services. Expenditure has been rolled over to 2010/2011.		
17.5 MSIG Grant		
Balance unspent at beginning of year	45 463	137 356
Current year receipts	735 000	740 000
Conditions met - transferred to revenue	(554 569)	(831 893)
Conditions still to be met - remain liabilities (see note 17)	225 894	45 463
75% of the Grant Allocation for 2009/10 was utilised. The rolled over funds will be used for payment to specific service providers.		

KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	R	R
17 GOVERNMENT GRANTS AND SUBSIDIES (cont)		
17.6 FMG Grant		
Balance unspent at beginning of year	63 697	-
Current year receipts	750 000	500 000
Conditions met - transferred to revenue	(724 277)	(436 303)
Conditions still to be met - remain liabilities (see note 17)	89 421	63 697
96.6% of the Grant Allocation for 2009/10 was utilised. This Grant has been used for financial assistance for the municipality.		
17.7 Metsweding HIV/AIDS		
Balance unspent at beginning of year	-	-
Current year receipts	690 000	-
Conditions met - transferred to revenue	(166 439)	-
Conditions still to be met - remain liabilities (see note 17)	523 561	-
This Grant will be expended in the following financial year.		
17.8 Recreation, Sports, Arts and Culture		
Balance unspent at beginning of year	1 000 284	2 002 861
Current year receipts	3 340 000	11 098 112
Conditions met - transferred to revenue	(1 817 345)	-
Conditions still to be met - remain liabilities (see note 17)	2 522 939	-
This Grant will be expended in the following financial year.		
17.9 TPT Rethabiseng		
Balance unspent at beginning of year	2 442 311	-
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - remain liabilities (see note 17)	2 442 311	-
The expenditure from this Grant has been halted for 2009/2010		
17.10 Clean Town Competition		
Balance unspent at beginning of year	224 541	2 002 861
Current year receipts	-	11 098 112
Conditions met - transferred to revenue	(52 995)	(9 111 508)
Conditions still to be met - remain liabilities (see note 17)	171 547	3 989 466
These Grant is gradually being expended as planned		
17.11 Other		
Balance unspent at beginning of year	64 207 878	64 207 878
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - remain liabilities (see note 17)	64 207 878	64 207 878
These Grants will be expended in 2010/2011		
18 RENTAL OF FACILITIES AND EQUIPMENT		
Rental of facilities	483 418	445 242
Total rentals	483 418	445 242

KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009	
	R	R	
19 EMPLOYEE RELATED COSTS			
Employee related costs - Salaries and Wages	64 117 354	56 165 034	
Employee related costs - Contributions for UIF, pensions and medical aids	20 735 251	16 683 683	
Travel, motor car, accommodation, subsistence and other allowances	10 036 850	7 909 632	
Housing benefits and allowances	811 848	858 731	
Overtime payments	8 695 429	7 559 143	
Performance and other bonuses	5 181 501	3 389 461	
Long-service awards	357 876	330 657	
Redemption of leave	404 210	485 355	
Other employee related costs	6 625 027	2 441 931	
Total Employee Related Costs	116 965 345	95 823 625	
Remuneration of the Municipal Manager			
Annual Remuneration	643 792	585 268	
Travel, motor car, accommodation, subsistence and other allowances	260 250	265 890	
Contributions to UIF, Medical and Pension Funds	183 510	4 391	
Total	1 087 552	855 549	
Remuneration of the Chief Finance Officer			
Annual Remuneration	578 705	535 164	
Travel, motor car, accommodation, subsistence and other allowances	162 000	140 667	
Contributions to UIF, Medical and Pension Funds	73 749	17 390	
Total	814 454	693 221	
Remuneration of Executive Directors			
	Technical Services	Corporate Services	Community Services
	R	R	R
2010			
Annual Remuneration	584 705	524 705	596 705
Travel, motor car, accommodation, subsistence and other allowances	156 000	216 000	144 000
Contributions to UIF, Medical and Pension Funds	71 155	159 409	110 505
Total	811 860	900 114	851 210
	Energy, electricity and logistics	Rural Development and planning	
2010			
Annual Remuneration	584 705	680 705	
Performance- and other bonuses	-	-	
Travel, motor car, accommodation, subsistence and other allowances	156 000	60 000	
Contributions to UIF, Medical and Pension Funds	99 510	82 192	
	840 215	822 897	
	Corporate Services	Service Delivery	Finance & Economic Development
	R'000	R'000	R'000
2009			
Annual Remuneration	457 368	517 368	517 368
Performance- and other bonuses			
Travel, motor car, accommodation, subsistence and other allowances	218 783	174 126	165 693
Contributions to UIF, Medical and Pension Funds	163 285	23 397	3 742
Total	839 436	714 891	686 803
19 EMPLOYEE RELATED COSTS(cont)			
	Electrical & Mechanical Services	Planning & Development Services	Social Services
2009			
Annual Remuneration	517 368	553 368	529 368
Performance- and other bonuses	-	-	-
Travel, motor car, accommodation, subsistence and other allowances	168 227	137 154	150 128
Contributions to UIF, Medical and Pension Funds	17 304	17 439	15 554
Total	702 899	707 961	695 050

KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	R	R
20 REMUNERATION OF COUNCILLORS		
Mayor	698 584	578 877
Speaker	664 028	459 749
Executive Committee Members	2 283 368	2 196 048
Councillors	3 440 056	3 332 808
Total Councillors' Remuneration	7 086 036	6 567 482
In-kind Benefits		
<p>The Executive Mayor, Deputy Executive Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.</p> <p>The Executive Mayor has use of the Council owned vehicle for official duties. Certification by the Municipal Manager</p> <p>I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.</p>		
21 DEPRECIATION AND AMORTISATION EXPENSE		
Property, plant and equipment	124 106 237	23 924 459
Intangible assets	-	-
Investment property carried at cost	-	-
Total Depreciation and Amortisation	124 106 237	23 924 459
22 FINANCE COSTS		
Borrowings	3 479 600	3 773 205
Bank overdrafts	-	-
Provisions		672 349
Lease Related	3 393 182	
Total Finance Costs	6 872 782	4 445 554
23 BULK PURCHASES		
Electricity	68 988 071	61 784 520
Water	20 903 259	21 724 978
Total Bulk Purchases	89 891 330	83 509 498
24 CONTRACTED SERVICES		
Cleaning: Municipal Building	427 300	495 842
Domestic waste collection	4 693 640	3 731 412
Meter reading	1 130 444	1 140 505
Security	9 159 447	5 842 629
	15 410 831	11 210 388

KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	R	R
25 GENERAL EXPENSES		
Included in general expenses are the following:-		
Advertising	436 791	890 756
Animal pound	539 334	
Auditors committee	36 613	
Auditors fees	2 019 444	1 600 526
Bank costs	1 093 406	720 886
Books and magazines	90 717	76 395
Cell phones	1 048 719	-
Cleaning materials	88 324	109 622
Contagious diseases	6 720	-
Delegation cost	230 007	3 503 731
Employee assist program	71 789	-
Entertainment allowance	162 809	482 935
Fleet management	612 739	-
Fuel	2 385 182	2 369 980
Grant related expenditure	9 158 984	
Hiv/ aids programs	166 439	-
Horticulture		179 135
Insurance	920 452	2 272 679
Insurance excess	86 620	-
L e d projects	120 620	-
Legacy Issues written off		(3 607 394)
Legal costs	2 653 749	-
License fees: vehicles	67 535	38 901
Marketing	101 839	925 366
Material and stores	241 994	-
Membership fees	29 016	-
Pauper burials	12 240	-
Pensioners	741 414	-
Postage	1 107 748	964 845
Printing and stationary	1 011 608	1 550 416
Professional fees	4 217 052	8 693 271
Protective clothing	559 951	472 720
Purchase of refuse bags	59 548	-
Purification costs	3 385 332	-
Refuse		103 962
Rental office machines	432 585	-
Samples analyses	11 971	-
Seeds and plants	17 733	-
Signs	5 396	5 228
Special functions / projects	3 014 488	-
Sports council coordination	147 039	-
Stock adjustments	114 383	326 921
Stocks and material		250 370
Stores Levies		55
Subscription & publication		304 580
Telecommunication	2 078 355	3 807 175
Training	345 252	2 628 869
Travel and subsistence	423 711	-
Valuation fees	7 084	-
Weed killers : streets	7 470	-
Fines & Penalties		1 766 702
Other		10 367 057
	40 070 203	40 805 690
26 GAIN / (LOSS) ON DISPOSAL OF ASSETS		
Property, plant and equipment	34 865	(236 357)
Total Gain / (Loss) on Disposal of Assets	34 865	(236 357)

KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	R	R
27 CASH GENERATED BY OPERATIONS		
Deficit for the year	(142 038 403)	(16 828 701)
Adjustment for:-		
Non-cash items:		
(Gain) / loss on sale of assets	(34 865)	236 357
Contribution to provisions	889 821	3 109 440
Depreciation and amortisation	124 106 237	22 820 181
Finance costs	6 872 782	5 549 832
Finance Income	(825 642)	(6 741 099)
Dividends received	-	-
Operating surplus before working capital changes:	(11 030 071)	8 146 010
(Increase)/decrease in inventories	182 069	(1 249 508)
(Increase)/decrease in trade receivables	(35 069 236)	(16 927 015)
(Increase)/decrease in other receivables	(3 460 822)	4 867 943
Increase/(decrease) in conditional grants and receipts	6 189 864	7 752 451
Increase/(decrease) in trade payables	69 143 675	17 340 736
Increase/(decrease) in consumer deposits	994 660	
Increase/(decrease) in VAT payable	12 354 149	(16 459 833)
Increase/(decrease) in Finance Lease Liability	(625 505)	
Cash generated by/(utilised in) operations	38 678 783	3 470 784
28 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Bank balances and cash	19 440 653	20 113 674
Bank overdrafts	-	10 958 441
Net cash and cash equivalents (net of bank overdrafts)	19 440 653	9 155 233
29 CORRECTION OF ERROR		
During the year ended 30 June 2009 the FNB Bank account was not brought into the financial system.		
Increase in cash and cash equivalents		21 562
During the year ended 30 June 2009 the assets and liability were restated as follows:		
Increase Finance lease Asset		4 371 433
Decrease in Finance Lease liability		(1 056 104)
During the year ended 30 June 2009 the assets and liability were restated as follows:		
Depreciation recalculated		35 572 870
Asset values incorrectly stated		717 345 426
During the year ended 30 June 2010 the Landfill site provision was restated:		
Landfill asset		(2 766 985)
Net effect on Accumulated surplus opening balance		753 488 203
ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE		
30 MANAGEMENT ACT		
30.1 Contributions to organised local government		
Opening balance		
Council subscriptions	600 255	
Amount paid - current	(600 255)	
Amount paid - previous years		
Balance unpaid (included in payables)	-	-
31.2 Audit fees		
Opening balance		
Current year audit fee	3 232 665	1 995 448
Amount paid - current year	(3 232 665)	(1 980 781)
Amount paid - previous years		
Balance unpaid (included in payables)	-	14 667

[illegible]

2009

R

KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	R	R
ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE		
30 MANAGEMENT ACT		
30.3 VAT		
VAT input receivables and VAT output payables are shown in note 9. All VAT returns were submitted in June 2010.		
30.4 PAYE and UIF		
Opening balance		
Current year payroll deductions	25 738 175	12 473 925
Amount paid - current year	(25 738 175)	(11 610 836)
Amount paid - previous years		
Balance unpaid (included in payables)	-	863 089
30.5 Pension and Medical Aid Deductions		
Opening balance		
Current year payroll deductions and Council Contributions	28 604 896	23 404 810
Amount paid - current year	(28 604 896)	(23 404 810)
Amount paid - previous years		
Balance unpaid (included in payables)	-	-
30.6 Councillor's arrear consumer accounts		
The following Councillors had arrear accounts outstanding for more than 90 days as at: -	Total	Outstanding less than 90 days
		Outstanding more than 90 days
2010		
Sebola S J	2 473	821
Motaung D	1 561	620
Mashiloane E S	425	425
Makola (Sibanyoni) R	4 590	4 590
Van Der Walt P A	1 375	803
Total Councillor Arrear Consumer Accounts	10 424	7 259
2009		
Pretorius D J	2 681	731
Sebola S J	3 234	614
Van Vuuren M I J	6 197	6 197
Total Councillor Arrear Consumer Accounts	12 112	1 345
30.7 Deviations from Supply Chain Policy		
Refer to Appendix F		
31 CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure		
- Approved and contracted for	15 149 245	-
Infrastructure	12 365 133	
Community	1 517 530	
Heritage	-	
Other	1 266 582	

KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	R	R
32 CONTINGENT LIABILITY		
32.1 Dispute of taxes The matter is about the property rates increment and the financial implications are still being determined, working in conjunction with our Finance Department. The claim amounts to R 500,000.00		
32.2 Disputed appointment of Municipal Manager The Plaintiff postponed the matter twice, prospects of success for the Municipality are very high and the claim is considered to be only possible.		
32.3 Disputed increment of rates in a township The matter is being defended and is pending. A part of the claim has prescribed but 50% of the claim is probable. The claim amounts to R300,000.00		
32.4 Dispute of Engineering Services Contribution The matter is being defended and is pending. We consider the prospects of success for the Municipality as high. The claim amounts to R450,000.00		
32.5 Dispute relating to water provisions The matter is being defended – very good prospects of success for the Municipality, at best the claim is possible.		
32.6 Dispute relating to sale of land Matter is defended – very good prospects of success for the Municipality, at best the claim is possible.		
32.7 Unpaid pension Fund Contribution The matter is about short fall payment in the pension fund & was previously defended by Mateme Magathlele Attorneys but SALGA has issued a circular appointing PVWM Attorneys to deal with all SALA matters		
32.8 Expropriation of the farm known as Kanana. The application relates to opposing the eviction of residents and the expropriation of property. The disputes are highly technical with substantial legal costs. The amount of the claim is R 700,000.00		
32.9 Town Planning Dispute During the opposed Motion Court Roll for Thursday the 8th of October 2009 the matter was postponed and a new hearing date will be still being arranged by our Attorney		
32.10 Town Planning Dispute The matter is pending and the prospects of success for the Municipality are very high.		
32.11 Unlawful arrest & assaults. The matter is about unlawful arrest, malicious prosecution and assault emanating from two Traffic Officers. The amount of the claim is R 50,000.00		
32.12 Personal Injury claim The matter is about a child who was electrocuted at Godrich substation. The matter set down during June 2009 and it was post poned since die. The amount of the claim is R 2,000,000.00		
32.13 Dispute about rates and taxes The matter was about the increment of property rates. The matter was opposed and was unsuccessful. The amount of the claim is R 30,000,000.00		
33 IN-KIND DONATIONS AND ASSISTANCE		
The Municipality received the following in-kind donations and assistance		
Two staff members as well as the Acting CFO from Gauteng Department of Finance were placed at the municipality for a period of 13 months which ends 31 March 2011.		
34 RISK MANAGEMENT		
34.1 Maximum credit risk exposure		
Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.		
Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.		

2010	2009
R	R

Not later than one month	Later than one month and not later than three months
59 857	179 572
175 091	525 273
90 616	271 847

KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

APPENDIX A
SCHEDULE OF EXTERNAL LOANS

External Loans	Loan No.	Redeemable	Balance at 30 June 2008	Interest paid during the period	Received during the period	Redeemed or written off during the period	Balance at 30 June 2009
			R	R	R	R	R
LONG TERM LOANS							
DBSA loan	102424/1	2016	23 889 914			2 101 090	21 788 824
							-
			23 889 914.00			2 101 090.20	21 788 823.80
Total External Loans			23 889 914.00	-	-	2 101 090.20	21 788 823.80

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KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

APPENDIX B
ANALYSIS OF PROPERTY, PLANT & EQUIPMENT

	HISTORICAL COST					ACCUMULATED DEPRECIATION						Carrying Value
	Opening Balance	Additions/ Transfers	Under Construction	Disposals	Closing Balance	Opening Balance	Year to date	Additions/ Transfers	Disposals	Impairment losses	Closing Balance	
	R	R	R	R	R	R		R	R		R	R
INFRASTRUCTURE	1 058 221 440.29	23 295 594.38	-	-	1 081 517 034.67	101 576 892.14	101 774 491.33	-			203 351 383.47	878 165 651.21
Roads, pavements, bridges & stormwater	310 947 799.41	8 999 439.15			319 947 238.56	71 109 683.36	72 385 939.75				143 495 623.11	176 451 615.46
Water reservoirs & reticulation	409 628 539.83	8 208 852.59			417 837 392.42	15 244 607.07	15 441 458.28				30 686 065.35	387 151 327.07
Car parks, bus terminals & taxi ranks												
Electricity reticulation	52 041 573.23	3 702 890.75			55 744 463.98	1 881 452.02	1 901 601.34				3 783 053.36	51 961 410.62
Sewerage purification & reticulation	239 180 320.14	2 384 411.89			241 564 732.03	7 683 370.18	7 737 687.83				15 421 058.02	226 143 674.01
Housing												
Street lighting												
Refuse sites	46 423 207.68				46 423 207.68	5 657 779.51	4 307 804.12				9 965 583.63	36 457 624.05
Other (town planning & development)												
COMMUNITY ASSETS	11 045 892.24	-	-	-	11 045 892.24	1 155 818.13	1 160 954.99	-			2 316 773.13	8 729 119.12
Establishment of parks & gardens	11 045 892.24				11 045 892.24	1 155 818.13	1 160 954.99				2 316 773.13	8 729 119.12
OTHER ASSETS	153 606 031.37	7 010 349.43	-	-	160 616 380.80	22 366 217.40	20 841 089.47	329 701.49			43 537 008.35	117 079 372.44
Civic land & buildings												
Other land & buildings	117 920 585.24	177 600.00			118 098 185.24	13 955 178.84	14 155 792.63				28 110 971.47	89 987 213.77
Other (including IT)	31 635 089.43	6 506 281.36			38 141 370.79	4 990 359.15	6 064 341.69	311 527.13			11 366 227.97	26 775 142.82
LEASED ASSETS	4 050 356.70	326 468.07			4 376 824.77	3 420 679.41	620 955.15	18 174.36			4 059 808.92	317 015.85
SPECIALISED VEHICLES	-	-	-	-	-	-	-	-			-	-
Refuse												
Fire												
TOTAL	1 222 873 363.90	30 305 943.81	-	-	1 253 179 307.71	125 098 927.67	123 776 535.79	329 701.49			249 205 164.94	1 003 974 142.77

KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

APPENDIX C
SEGMENTAL ANALYSIS OF PROPERTY, PLANT & EQUIPMENT

	HISTORICAL COST					ACCUMULATED DEPRECIATION				
	Opening Balance	Additions/ Transfers	Under Construction	Disposals	Closing Balance	Opening Balance	Additions/ Transfers	Impairment losses	Disposals	Closing Balance
	R	R			R	R	R			R
Corporate Services	9 614 015.05	1 492 678.85	0.00	0.00	11 106 693.90	1 374 595.67	1 770 235.66	107 525.49	0.00	0.00
Admin & Supp Services	279 646.31	4 540.27	0.00	0.00	284 186.58	47 506.80	46 142.20	605.83	0.00	0.00
Human Resources	328 775.07	7 978.73	0.00	0.00	336 753.80	46 808.80	50 430.42	196.60	0.00	0.00
Legal Supp Serv (blank)	334 763.17	27 252.37	0.00	0.00	362 015.54	56 133.63	56 385.72	2 296.16	0.00	0.00
Logis Supp Service	69 839.85	0.00	0.00	0.00	69 839.85	10 524.52	11 133.20	0.00	0.00	0.00
	8 600 990.65	1 452 907.48	0.00	0.00	10 053 898.13	1 213 621.92	1 606 144.12	104 426.90	0.00	0.00
Dev Plan & Housing	439 717.07	22 934.78	0.00	0.00	462 651.85	57 678.07	65 288.89	4 234.55	0.00	0.00
Building Control	249 799.49	20 627.12	0.00	0.00	270 426.61	34 694.97	35 265.32	3 999.88	0.00	0.00
Housing	27 423.42	0.00	0.00	0.00	27 423.42	3 657.56	3 655.06	0.00	0.00	0.00
Municipal Buildings	79.60	0.00	0.00	0.00	79.60	26.53	26.51	0.00	0.00	0.00
Town Planning (blank)	129 638.56	2 307.66	0.00	0.00	131 946.22	17 299.21	19 871.00	234.67	0.00	0.00
	32 776.00	0.00	0.00	0.00	32 776.00	1 999.80	6 471.00	0.00	0.00	0.00
Electrical & Mechanic	5 585 921.75	375 381.67	0.00	0.00	5 961 303.42	868 237.80	995 852.55	32 354.83	0.00	0.00
Elec Off/Snr Manager	14 049.12	0.00	0.00	0.00	14 049.12	89.75	4 679.83	0.00	0.00	0.00
Electric Maintenance	5 295 108.28	375 381.67	0.00	0.00	5 670 489.95	865 819.13	952 928.49	32 354.83	0.00	0.00
Mechanical	276 764.35	0.00	0.00	0.00	276 764.35	2 328.92	38 244.23	0.00	0.00	0.00
Exec & Governance	956 448.83	74 923.21	0.00	0.00	1 031 372.04	112 878.02	133 034.54	6 623.10	0.00	0.00
Councilors	37 349.33	0.00	0.00	0.00	37 349.33	6 128.94	6 124.74	0.00	0.00	0.00
Mayoral Committee	23 304.29	0.00	0.00	0.00	23 304.29	4 210.92	4 366.32	0.00	0.00	0.00
Office of Exec Mayor	333 750.80	23 202.96	0.00	0.00	356 953.76	26 833.12	31 812.98	2 452.61	0.00	0.00
Office of Mun Man	124 375.78	38 342.65	0.00	0.00	162 718.43	17 015.54	17 526.87	2 606.83	0.00	0.00
Office of Speaker (blank)	433 168.62	13 377.60	0.00	0.00	446 546.22	58 682.11	72 753.93	1 563.66	0.00	0.00
	4 500.00	0.00	0.00	0.00	4 500.00	7.39	449.69	0.00	0.00	0.00
Finance	1 570 283.68	240 619.78	0.00	0.00	1 810 903.46	274 558.23	303 335.42	18 032.44	0.00	0.00
Budget & Reporting	25 640.38	9 534.82	0.00	0.00	35 175.20	4 271.28	4 628.11	969.61	0.00	0.00
Expenditure Mngmnt	368 481.25	88 416.79	0.00	0.00	456 898.04	74 999.53	77 364.33	8 764.11	0.00	0.00
Revenue Management	641 081.21	69 906.35	0.00	0.00	710 987.56	114 313.12	121 984.44	2 646.11	0.00	0.00
Supply Chain Mngmnt (blank)	288 492.37	13 410.94	0.00	0.00	301 903.31	47 661.77	59 646.53	1 106.65	0.00	0.00
Office of CFO	193 372.66	45 373.80	0.00	0.00	238 746.46	23 768.03	29 718.72	3 882.67	0.00	0.00
	53 215.81	13 977.08	0.00	0.00	67 192.89	9 544.51	9 993.29	663.30	0.00	0.00
Led & Tourism	76 551.13	0.00	0.00	0.00	76 551.13	10 775.65	11 964.67	0.00	0.00	0.00
Tourism	76 551.13	0.00	0.00	0.00	76 551.13	10 775.65	11 964.67	0.00	0.00	0.00
Mun Health Services	73 466.06	0.00	0.00	0.00	73 466.06	16 099.86	15 230.70	0.00	0.00	0.00
Parks	73 466.06	0.00	0.00	0.00	73 466.06	16 099.86	15 230.70	0.00	0.00	0.00
Office/chief Ops Off	456 881.80	150 156.23	0.00	0.00	607 038.03	71 862.53	108 778.62	4 008.51	0.00	0.00
Customer Care	1 350.00	0.00	0.00	0.00	1 350.00	74.66	134.91	0.00	0.00	0.00
Idp & Performance Man	34 908.73	0.00	0.00	0.00	34 908.73	2 362.76	3 488.48	0.00	0.00	0.00
Info & Comm Tech	420 623.07	150 156.23	0.00	0.00	570 779.30	69 425.11	105 155.23	4 008.51	0.00	0.00

KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

APPENDIX C
SEGMENTAL ANALYSIS OF PROPERTY, PLANT & EQUIPMENT

	HISTORICAL COST					ACCUMULATED DEPRECIATION				
	Opening Balance	Additions/ Transfers	Under Construction	Disposals	Closing Balance	Opening Balance	Additions/ Transfers	Impairment losses	Disposals	Closing Balance
	R	R		R	R	R	R		R	R
Service Delivery	383 917.38	0.00	0.00	0.00	383 917.38	58 847.61	62 431.15	0.00	0.00	0.00
Building Control	2 692.80	0.00	0.00	0.00	2 692.80	786.44	755.61	0.00	0.00	0.00
Roads & Storm Water	94 578.22	0.00	0.00	0.00	94 578.22	17 816.08	17 394.27	0.00	0.00	0.00
Sanitation	18 613.15	0.00	0.00	0.00	18 613.15	3 907.45	3 904.77	0.00	0.00	0.00
Traffic Engineering	91 200.00	0.00	0.00	0.00	91 200.00	9 024.58	13 019.65	0.00	0.00	0.00
Water & Sanitation	140 130.78	0.00	0.00	0.00	140 130.78	19 808.06	20 358.86	0.00	0.00	0.00
(blank)	36 702.42	0.00	0.00	0.00	36 702.42	7 505.00	6 997.98	0.00	0.00	0.00
Social Services	5 784 361.43	517 961.62	0.00	0.00	6 302 323.05	532 632.34	1 040 362.34	24 230.25	0.00	0.00
Electric Maintenance	178 284.57	0.00	0.00	0.00	178 284.57	3 470.27	12 947.71	0.00	0.00	0.00
Fire & Disaster Man	978 720.06	100 149.74	0.00	0.00	1 078 869.80	151 178.33	204 750.40	487.81	0.00	0.00
Integrated Waste	560.00	0.00	0.00	0.00	560.00	56.00	55.96	0.00	0.00	0.00
Library Info Service	2 319 646.80	354 643.67	0.00	0.00	2 674 290.47	151 316.93	455 148.07	20 427.27	0.00	0.00
Licensing	373 259.92	4 828.89	0.00	0.00	378 088.81	44 438.12	51 861.38	118.99	0.00	0.00
Mun Health Services	296 012.13	16 891.66	0.00	0.00	312 903.79	16 942.67	35 320.05	312.61	0.00	0.00
Security	247 043.00	0.00	0.00	0.00	247 043.00	16 929.74	27 559.50	0.00	0.00	0.00
Social Dev & Hiv/aid	51 174.60	27 551.29	0.00	0.00	78 725.89	6 587.97	6 928.73	2 671.26	0.00	0.00
Sport, Arts & Culture	428 907.44	3 301.35	0.00	0.00	432 208.79	48 653.08	66 982.58	1.81	0.00	0.00
SS Offic/Snr Manager	190 530.94	0.00	0.00	0.00	190 530.94	6 565.87	43 011.34	0.00	0.00	0.00
Traffic	417 439.71	0.00	0.00	0.00	417 439.71	32 273.08	80 495.93	0.00	0.00	0.00
(blank)	302 782.25	10 595.02	0.00	0.00	313 377.27	54 220.28	55 300.68	210.51	0.00	0.00
Unknown	10 743 881.95	3 958 093.29	0.00	0.00	14 701 975.24	5 032 872.77	2 178 782.31	132 692.32	0.00	0.00
(blank)	10 743 881.95	3 958 093.29	0.00	0.00	14 701 975.24	5 032 872.77	2 178 782.31	132 692.32	0.00	0.00
Other	1 187 187 918.00	23 473 199.00			1 210 661 117.00	116 687 889.00	117 091 239.00			233 779 128.00
Grand Total	1 222 266 465.14	30 155 792.20	0.00	0.00	1 252 422 257.34	125 000 189.52	123 640 561.85	325 692.98	0.00	233 779 128.00

Carrying Value
R
7 854 337.09
189 931.75
239 317.98
247 200.05
48 182.12
7 129 705.19
335 450.34
196 466.45
20 110.80
26.55
94 541.34
24 305.20
4 064 858.24
9 279.54
3 819 387.50
236 191.20
778 836.37
25 095.65
14 727.05
295 855.05
125 569.19
313 546.51
4 042.92
1 214 977.37
25 306.20
295 770.07
472 043.89
193 488.37
181 377.04
46 991.79
53 810.80
53 810.80
42 135.50
42 135.50
422 388.38
1 140.43
29 057.49 #
392 190.46

Carrying Value
R
262 638.62
1 150.76
59 367.87
10 800.92
69 155.76
99 963.87
22 199.44
4 705 098.12
161 866.60
722 453.26
448.04
2 047 398.20
281 670.33
260 328.46
202 553.76
62 537.93
316 571.32
140 953.72
304 670.70
203 645.80
7 357 627.84
7 357 627.84
976 881 989.00
1 003 455 812.99

KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

APPENDIX D
DETAILED SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE

2009 Actual Income	2009 Actual Expenditure	2009 Actual Surplus/ (Deficit)		2010 Actual Income	2010 Actual Expenditure	2010 Actual Surplus/ (Deficit)
R	R	R		R	R	R
798 570	5 658 546	(4 859 977)	EXECUTIVE & GOVERNANCE	94 162	15 606 445	(15 512 283)
45 038 581	5 424 523	39 614 058	Office of the Executive Mayor		3 866 935	(3 866 935)
	2 202 359	(2 202 359)	Mayoral Committee		3 262 160	(3 262 160)
	3 691 701	(3 691 701)	Office of the Speaker		2 746 457	(2 746 457)
798 570	5 658 546	(4 859 977)	Council General	93 008	3 637 262	(3 544 254)
	2 678 299	(317 115 621)	Office of the Municipal Manager		1 604 258	(1 604 258)
			Public Relations & Liason	1 154	489 373	(488 219)
1 338 699	26 188 407		CORPORATE SERVICES	509 147	25 375 628	(24 866 482)
	1 775 473	(1 775 473)	Office of the Senior Manager: Corporate		2 306 230	(2 306 230)
1 338 699	6 475 741	(5 137 042)	Logistical Support Services		5 165 309	(5 165 309)
	3 388 204	(3 388 204)	Administrative Support Services		3 891 382	(3 891 382)
	8 953 870	(8 953 870)	Human Resources	509 147	5 785 725	(5 276 579)
	4 846 253		Legal Support Services		3 934 120	(3 934 120)
	748 866	(748 866)	Information & Communication		4 292 861	(4 292 861)
99 806 200	228 056 290	(128 250 090)	FINANCE	158 780 758	189 829 109	(31 048 351)
6 704 671	10 367 033	(3 662 364)	Office of the CFO	712 149	15 173 670	(14 461 521)
	2 174 494	(2 174 494)	Expenditure Management		2 845 203	(2 845 203)
92 403 667	206 111 603	(113 707 936)	Revenue Management	105 158 812	18 112 940	87 045 872
261 559	2 210 086	(1 948 527)	Supply Chain Management		2 297 247	(2 297 247)
436 303	7 193 072	(6 756 769)	Budget and Reporting	52 909 798	6 829 349	46 080 449
			LED and Tourism		144 570 700	(144 570 700)
36 764 924	59 774 841	(23 009 916)	SOCIAL SERVICES	18 931 262	60 140 405	(41 209 143)
	4 227 713	(4 227 713)	Office of the Senior Manager: Social		5 236 684	(5 236 684)
	473 953		Primary Health	136 855	655 226	(518 371)
	1 402 243	(1 402 243)	Social Dev & HIV/AIDS		1 383 139	(1 383 139)
133 001	78 764	54 237	Municipal Health Services/Cemetery	124 834	152 505	(27 671)
225 055	11 934 038	(11 708 983)	Environmental Management	101 781	13 949 553	(13 847 772)
18 838 042	5 639 781	13 198 261	Integrated Waste	10 842 309	5 864 173	4 978 135
	11 131 843	(11 131 843)	Fire and Disaster Management		12 279 475	(12 279 475)
3 175 112	2 083 228	1 091 883	Traffic	339 552	170 009	169 543
4 853 070	2 436 165	2 416 906	Licensing	5 293 559	3 057 049	2 236 510
	5 892 576	(5 892 576)	Security		9 164 386	(9 164 386)
5 666 855	7 291 149		Sport, Recreation, Arts, Culture		497 722	(497 722)
3 355 056	5 463 341	(2 108 285)	Library Information Services	1 711 391	6 396 820	(4 685 429)
7 447	481 591	(474 144)	Parks			
511 288	1 238 457	(727 169)	Natural Reserve	380 981	1 333 663	(952 682)
114 560 293	112 008 447	2 551 846	SERVICE DELIVERY	90 996 619	81 025 603	9 971 016
1 835 902	947 412	888 489	Office of the Senior Manager: Service	476 701	1 221 148	(744 447)
14 041 616	46 801 167	(32 759 551)	Roads and Storm Water	9 916 582	20 103 030	(10 186 448)
	642 706	(642 706)	R & S Infrastructure provision & maint		618 823	(618 823)
85 008 677	42 747 198	(5 805 008)	Traffic engineering			
13 674 097	12 187 158	1 486 940	Water	65 460 683	45 143 599	20 317 085
	7 291 947	(7 291 947)	Sanitation	15 142 652	12 187 190	2 955 463
	1 390 859		W & S Infrastructure provision & maint		1 751 815	(1 751 815)
469 918	10 309 216	(9 839 298)	Admin support			
	1 272 129		DEVELOPMENT PLANNING & HOUSING	1 438 092	11 850 848	(10 412 755)
117 860	1 578 046	(1 460 186)	Office of Senior Manager: Dev Plan		896 413	(896 413)
	963 194	(963 194)	Town Planning	277 101	2 130 364	(1 853 263)
	1 411 021	(1 411 021)	Building Control	725 063	1 215 558	(490 495)
352 058	2 567 546	(2 215 488)	Housing		1 653 890	(1 653 890)
	2 517 273		Municipal Buildings	435 928	4 234 772	(3 798 845)
69 153 943	76 194 247	(7 040 304)	LED & Tourism		1 719 850	(1 719 850)
	1 760 176	(1 760 176)	ELECTRICAL & MECHANICAL	60 555 244	87 071 069	(26 515 825)
62 642 872	65 395 623	(2 752 751)	Office of Senior Manager: Elec & Mech		2 156 515	(2 156 515)
6 511 072	6 377 276		Electrical Construction	53 383 191	71 712 418	(18 329 227)
	2 661 172	(2 661 172)	Electrical Maintenance	7 172 054	7 290 846	(118 792)
	7 647 073	(7 647 073)	Mechanical		5 911 290	(5 911 290)
	847 784	(847 784)	OFFICE OF THE C.O.O		3 397 541	(3 397 541)
	712 528	(712 528)	Office of the C.O.O.		802 057	(802 057)
	2 230 435	(2 230 435)	Customer Care		20 358	(20 358)
	3 856 327	(3 856 327)	IDP & Performance Management		687 799	(687 799)
			Internal Audit		868 160	(868 160)
			Regional Area		1 019 167	(1 019 167)
			Information & Communication Tech			
367 931 128	384 523 471	(16 592 343)	Total	331 305 285	474 296 647	(142 991 363)

KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

APPENDIX E
ACTUAL OPERATING VERSUS BUDGET

	2010 Actual R	2010 Budget R	2010 Variance R	2010 Variance %	Explanations of significant variances greater than 10% versus budget
REVENUE					
Property rates	113 594 377	119 000 000	(5 405 623)	-4.54	
Service charges	133 553 240	179 366 114	(45 812 874)	-25.54	
Finance Income	825 642	25 815 014	(24 989 372)	-96.80	
Government grants and subsidies-operating	54 741 616	54 683 250	58 366	0.11	
Government grants and subsidies- capital	18 647 260	39 960 456	(21 313 196)	-53.34	
Rental of facilities and equipment	483 418	598 822	(115 404)	-19.27	
Licences and permits	328 159	747 000	(418 841)	-56.07	
Agency fees	4 949 763	1 912 500	3 037 263	158.81	
Fines	339 297	1 526 100	(1 186 803)		
Other Revenue	3 842 513	8 791 567	(4 949 054)	-56.29	
Total Revenue	331 305 285	432 400 823	(101 095 538)	-23.38	
EXPENDITURE					
Employee related costs	112 459 839	112 252 861	206 978	0.18	
Remuneration of councillors	7 086 036	7 063 588	22 448	0.32	
Depreciation and amortisation expense	123 598 859	23 069 879	100 528 980	435.76	
Bad debts	20 971 841	5 588 874	15 382 967	275.24	
Finance costs	6 872 782	14 594 613	(7 721 831)	-52.91	
Collection costs	16 098 726	5 000 000	11 098 726	221.97	
Repairs and maintenance	37 019 165	38 756 842	(1 737 677)	-4.48	
Bulk purchases	89 891 330	97 000 000	(7 108 670)	-7.33	
Contracted services	15 410 831	15 770 000	(359 169)	-2.28	
General expenses	44 564 694	41 109 128	3 455 566	8.41	
Total Expenditure	473 974 102	360 205 785	113 768 317	31.58	

NET SURPLUS/(DEFICIT) FOR THE YEAR	(142 668 818)	72 195 038	(214 863 856)	
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KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Appendix F
DEVIATIONS FROM SUPPLY CHAIN

	Deviation	Reason for deviation	Amount
1	PROCURE 200KV TRANSFORMER	EMERGENCY	113 829.00
2	CAP, VALVE AND LABOUR	EMERGENCY	2 166.29
3	STRIP AND QUOTE (JYL 767 GP)	EMERGENCY	29 710.68
4	VEHICLE PARTS (JYL 774 GP)	SOLE SUPPLIER	2 870.60
5	TRUCK PARTS	SOLE SUPPLIER	3 813.30
6	TRUCK PARTS	SOLE SUPPLIER	2 725.30
7	VEHICLE PARTS	SOLE SUPPLIER	2 788.44
8	REPAIR OF UNDERCARRIAGE BOLTS	SOLE SUPPLIER	26 526.32
9	VEHICLE PARTS (NJL 132 GP)	SOLE SUPPLIER	1 370.05
10	PARTS FOR VEHICLE(NJL 132 GP)	SOLE SUPPLIER	1 213.93
11	PARTS FOR VEHICLES	SOLE SUPPLIER	35 101.32
12	REPLACE MOTOR	SOLE SUPPLIER	15 834.60
13	CAR SERVICE	SOLE SUPPLIER	7 894.81
14	REPAIR ENGINE	SOLE SUPPLIER	65 994.60
15	REPAIR OF MAG WHEELS	SOLE SUPPLIER	650.00
16	SUPPLY AND DELIVERY OF 3CORE 16MM2 CABLE	EMERGENCY	147 630.00
17	REPAIR ENGINE	SOLE SUPPLIER	20 926.40
18	STRIP & QUOTE	EMERGENCY	16 530.00
19	SERVICE OF VEHICLE(WRF 894 GP)	SOLE SUPPLIER	2 622.92
20	BURIAL OF THREE PAUPERS	EMERGENCY	1 920.00
21	REPAIR A VEHICLE	STRIP AND QUOTE	16 530.00
22	REPAIR OF A VEHICLE	MACHINERY AND PARTS	5 180.43
23	TRAINING	SOLE SUPPLIER	8 923.20
24	INSTALLATION OF TRANSFORMER	EMERGENCY	2 850.00
25	SERVICE OF A VEHICLE	EMERGENCY	2 162.63
26	HT CABLE	EMERGENCY	1 794.93
27	LT CABLE	EMERGENCY	4 127.94
28	LT CABLE	EMERGENCY	2 930.94
29	REPAIR AND SERVICE OF WATER TANKER	EMERGENCY	12 591.75
30	10 NEW TYRES FOR WATER TANKER	EMERGENCY	37 600.00
31	ANNUAL SERVICE AND ROADWORTHY PREP	EMERGENCY	10 164.25
32	TYRE SERVICE	EMERGENCY	9 500.00
33	CHEMICAL WATER SAMPLES	EMERGENCY	6 000.00
34	TRAINING	SOLE SUPPLIER	41 040.00
35	REPAIR AND MAINTANANCE OF BELL DOZER	SOLE SUPPLIER	188 720.84
36	REPAIR AND MAINTANANCE OF TRUCK	SOLE SUPPLIER	40 847.34
37	LUBE SERVICE FOR NISSAN	EMERGENCY	2 850.43
38	ISS FORMS	EMERGENCY	10 869.22
39	REFURBISHMENT	EMERGENCY	109 254.52
40	REFURBISHMENT	EMERGENCY	43 585.68
41	REFURBISHMENT	EMERGENCY	190 665.00
42	ANNUAL FINANCIAL STATEMENT	EMERGENCY	551 352.50
43	MAINTANANCE OF WATER TANKER	EMERGENCY	37 771.15
44	HT CABLE	EMERGENCY	15 134.07
45	REPAIR OF A POLE AND CONTROL BOX	EMERGENCY	14 873.58
46	BREAKDOWN ON FRONT LOADER	EMERGENCY	8 240.89
47	REFURBISHMENT OF TRUCK	EMERGENCY	167 295.00
48	REFURBISHMENT OF FIRE VEHICLE	EMERGENCY	101 105.46
49	ADJUST BRAKES FOR TRUCK	EMERGENCY	8 550.00
50	SEAL KIT FORN	EMERGENCY	9 576.00
51	REFURBISHMENT OF TRUCK	EMERGENCY	50 655.90
52	REFURBISHMENT OF TRUCK	EMERGENCY	128 535.00
53	STORAGE FEE OF THE TRUCK AND TRACTOR	EMERGENCY	124 052.58
54	COLOUR PRINT RIBBON	EMERGENCY	6 484.32
55	REFURBISHMENT OF TRUCK	EMERGENCY	167 295.00
56	TRAFFIC OFFICER UNIFORMS	SOLE SUPPLIER	18 120.30
57	CHANGING OF LOCKS	SOLE SUPPLIER	1 250.00
58	POSTING /DELIVERY OF MUNICIPAL ACCOUNT	SOLE SUPPLIER	101 250.00
59	SERVICE LETTER	EMERGENCY	18 686.00
60	PRINTING PAPER	SOLE SUPPLY	7 582.71
61	STRIP IGNITION AND MAKE TLB KEYS	EMERGENCY	240.00
62	800 KVA GROUND MOUNTED TRANSFORMER	EMERGENCY	286 847.94
63	REPLACE AND FIX CABLE	EMERGENCY	17 197.01

KUNGWINI LOCAL MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Appendix F
DEVIATIONS FROM SUPPLY CHAIN

64	HONEY SUCKER	EMERGENCY	139 900.80
65	INSTALL PUMP	EMERGENCY	8 071.20
66	REPLACE PUMP MOTOR	EMERGENCY	9 484.34
67	PUMP STATION AT ZITHOBENI	EMERGENCY	8 401.80
68	PUMPSTATION AT OLD RAILWAY BHS	EMERGENCY	8 974.65
69	PUMP STATION AT ZITHOBENI	EMERGENCY	6 874.20
70	TRUCKJET AT MEADOWS ESTATE SHERE	EMERGENCY	2 411.10
71	TRUCKJET AT MOOIKLOOF RIDGE SILVERLAKES	EMERGENCY	5 625.90
72	PUMP STATION SILVERLAKES	EMERGENCY	7 065.15
73	PUMP STATION	EMERGENCY	9 929.40
74	PUMP STATION	EMERGENCY	9 165.60
75	PUMP STATION	EMERGENCY	7 256.10
76	PUMP STATION	EMERGENCY	3 305.89
77	SEWARAGE TANKER	EMERGENCY	60 534.00
78	PUBLICATION OF PROVINTIAL GAZETTE	SOLE SUPPLIER	32 978.00
79	REPAIR OF SUMERSIBLE	EMERGENCY	10 104.96
80	MAINTANANCE AND PARTS FOR WATER TANKER	EMERGENCY	22 524.12
82	RADIATOR REPAIRS FOR VSJ 880 GP	EMERGENCY	3 944.40
83	RADIATORS REPAIRS FOR VBL 870 GP	EMERGENCY	8 949.00
84	PROPSHAFT REPAIR	EMERGENCY	6 341.82
85	LUBE SERVICE VTJ489 GP	EMERGENCY	869.06
86	GRADING AND RELEVELLING OF GROUNDS	EMERGENCY	56 020.28
87	SERVICE PARTS FOR VBL 871 GP	EMERGENCY	34 131.57
88	MAINTANANCE PARTS FOR WATER TANKER	EMERGENCY	41 799.52
89	TRANSPORT TO THE FUNERAL	EMERGENCY	7 000.00
90	ALUMINIUM CABLE JOINT ACCESSORIES	EMERGENCY	2 765.18
91	FIXING OF LEAKAGE	EMERGENCY	26 352.24
92	DIGGING FOR COMMUNICATION CABLES	EMERGENCY	13 777.00
93	BREATHING APPARATUS	EMERGENCY	73 870.74
94	PURCHASING OF A PRINTER	EMERGENCY	8 424.60
95	TRAINING	SOLE SUPPLIER	3 954.99
96	CLEANING OF TOILETS	EMERGENCY	12 000.00
97	CLEANING OF TOILETS	EMERGENCY	9 000.00
98	CLEANING OF VEHICLES	EMERGENCY	820.00
99	BREATHING APPARATUS	SOLE SUPPLIER	84 029.40